Testimony before the Maine Joint Committee on Appropriations and Financial Affairs Regarding Providing Additional Monies to offset the Proposed Ban on the Sale of Flavored Tobacco and Vapor Products

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Chairwoman Breen, Chairwoman Pierce, Members of the Committee:

Thank you for your time today to discuss the issue of providing one-time monies to offset the potential loss of revenue due to a possible ban on the sale of tobacco and vapor products in Maine. My name is Lindsey Stroud and I am a Policy Analyst with the Taxpayers Protection Alliance (TPA). TPA is a non-profit, non-partisan organization dedicated to educating the public through the research, analysis and dissemination of information on the government's effects on the economy.

As lawmakers attempt to address the critical issue of youth use of age- restricted products (including electronic cigarettes and vapor products), some policymakers are seeking to ban sales of flavored tobacco and vapor products. As Maine lawmakers understand, this policy would create a fiscal loss in revenue, but would ultimately provide even less money to programs that can both help smokers quit and prevent youth use of age restricted products.

One-Time Funding Will Not Address Future Funding Deficit in Wake of Ban

Prior to announcing a flavor ban, cigarette tax revenue was already decreasing in Maine. In 2017, the Pine Tree State collected $130.2 million in cigarette tax revenue, this amount decreased by 13.4 percent to only $112.8 million in 2019. **(See Supplemental Graph 1)**

In the latest budget, Gov. Janet Mills introduced a one-time funding increase of "$32 million to replace the lost revenue from ending the sale of flavored tobacco products." This legislation will not address the future costs of the ban, and heavily relies on one-time funding relief from the federal government.

With certainty, a ban on flavored tobacco and vapor products would lead to an even greater loss of revenue without decreasing smoking rates as menthol smokers in Maine are likely to travel to neighboring states to purchase menthol products. This has been demonstrated in Massachusetts, which banned the sale of flavored tobacco and vapor products, including menthol cigarettes and took effect June 1, 2020.

An analysis by the Tax Foundation found that "Massachusetts' flavor ban has not limited use, just changed where Bay Staters purchase cigarettes."[1] The analysis noted that sales of cigarette tax stamps in the Northeast "have stayed remarkably stable," and that "Massachusetts sales plummeted, but only because those sales went elsewhere."

The Tax Foundation's analysis found that sales of cigarettes "skyrocketed" in New Hampshire and Rhode Island – growing 55.8 percent and 56 percent, respectively, between June 2019 and June 2020.

Indeed, in fiscal year (FY) 2019, New Hampshire collected $198.8 million in tobacco tax revenue, this increased by 6.9 percent to $212.5 million at the end of FY 2020.[2] For the first 6 months of FY 2021, the Granite State has collected $130.6 million in tobacco tax revenue – nearly 66 percent of what the state collected in FY 2019.

Meanwhile, Massachusetts is losing even more tobacco revenue in the aftermath of the statewide flavor ban. While it was projected that the state would lose an estimated $93 million in the year after implementing the ban, it is now projected that Massachusetts may actually "forgo more than $120 million in tobacco taxes over this fiscal year."[3]

Better Allocation of Existing Funding – Not Bans Would Address Youth Use, Help Adults Quit

While Gov. Mills' intentions of setting aside one-time funding of $32 million to help offset the costs associated with loss revenue, Maine lawmakers do have the tools available to address both youth use and help smokers quit: allocating additional monies from tobacco revenues to tobacco control programs.

Early on, the Pine Tree State was lauded in a 2003 U.S. Senate hearing for dedicating substantial portions of their tobacco settlement payments "to fund comprehensive tobacco prevention programs."[4] It was noted that, "Maine went, in 4 years, from a state with the worst youth smoking rates to one of the best, from over 39 percent to 20 percent."

Sadly, Maine, each year, Maine allocates less and less funding on tobacco control programs – including education, cessation, and prevention.

Between 2000 and 2019, the Pine Tree State allocated only $231.9 million towards tobacco control programs.[5] This is only 9.8 percent of what Maine collected in cigarette taxes in the 19-year time span between 2000 and 2019 and only 21.9 percent of MSA payments the state collected in the 20 years. To put it in further perspective, in 19 years, Maine allocated only 6.7 percent of tobacco settlement payments and taxes on programs to prevent tobacco use. **(See Supplemental Graph 2)**

Breaking the numbers down leads to an even bleaker picture as Maine has consistently dedicated less and less funding towards tobacco control programs, even as the state as received increased cigarette tax revenue and tobacco settlement payments stemming from the 1998 lawsuit in which Maine, with 45 other states, reached "the largest civil litigation settlement in U.S. history" through the Master Settlement Agreement (MSA).[6]

For example, in 2000, the Pine Tree State received an estimated $74.9 million in cigarette taxes and $44.3 million in MSA payments. In the same year, the state allocated $18.8 million in state funding towards tobacco control programs. In 2019, Maine received $112.8 million in cigarette tax revenue and $78 million in MSA payments, yet spent only $4.8 million in state funding on tobacco control programs.

Between 2000 and 2019, cigarette tax revenue increased by 50.6 percent and MSA payments increased by 76.1 percent, yet state spending on tobacco control funding decreased by 74.5 percent. Further, annual cigarette tax revenue collections and MSA payments received have increased, on average, 3.1 and 3.8 percent, respectively. State tobacco control funding has decreased on average, by 5.9 percent annually.

Tobacco Control Funding Breakdown

In 2019, 17.6 percent of adults in the Pine Tree State were current smokers, amounting to 192,785 smokers.[7] Further 13.9 percent of Maine adults (152,256 adults) were daily smokers. When figuring a pack-per-day, more than 1.1 billion cigarettes were smoked in 2019 by Maine adults, or about three million per day.[8]

In 2019, Maine imposed a $2.00 excise tax on a pack of cigarettes.[9] In 2019, Maine collected $111.1 million in cigarette excise taxes, when figuring for a pack-a-day habit. This amounts to $730.00 per smoker per year.

During 2019, Maine allocated only $4.8 million in state funding towards tobacco control program. This amounts to $24.90 per smoker per year, and $19.29 per resident under 18 years. Moreover, $4.8 million is only 2.5 percent of what Maine collected $190.8 million in cigarette taxes and MSA payments in 2019.

To put it into further perspective, for every $1 Maine received in cigarette taxes and MSA payments, the state allocated only $0.025 cents on tobacco control programs. Further, for every $1 a pack-per-day smokers spent in cigarette taxes in 2019, the state allocated only $0.034 on programs to help them quit.

Tobacco and Vapor Product Use Among Maine Youth

The latest data on youth tobacco and vapor product use comes from the 2019 Maine Integrated Youth Health Survey Data (MIYHS)[10] and the Centers for Disease Control and Prevention's Youth Risk Behavior Survey (YRBS).[11]

In 2019, according to the MIYHS, among Maine high school students, only 23 percent reported ever trying a combustible cigarette, and only 7.1 percent reported using a cigarette on at least one occasion in the past 30 days. Regarding vapor product use, among Maine high school students in 2019, 45.1 percent reported every trying an e-cigarette and 28.7 percent reported using a vapor product on at least one occasion in the 30 days prior to the survey.

According to data from the CDC's YRBS, in 2019, 46.3 percent of Maine high school students reported ever-trying e-cigarettes, 30.2 percent reported past 30-day use, and 6.3 percent reported using vapor products daily. **(See Supplemental Graph 3)**

It is worthy to note that youth combustible cigarette use is at an all-time low. In 2019, 6.8 percent of Maine high school students reported using a cigarette in the past 30 days, an 82 percent decrease from 1995, when 37.8 percent of high school students smoked cigarettes. Further, daily cigarette use has decreased by 91.9 percent from 16 percent of high school students reporting daily smoking in 1995 to 1.3 percent in 2019. **(See Supplemental Graph 4)**

Vapor Product Emergence Correlates with Lower Young Adult Smoking, Has Reduced Over All Smoking

Electronic cigarettes and vapor products were first introduced to the U.S. in 2007 "and between 2009 and 2012, retail sales of e-cigarettes expanded to all major markets in the United States."[12] Examining data from the Centers for Disease Control and Prevention's Behavioral Risk Factor Surveillance Survey finds that e-cigarettes' market emergence has been more effective than MSA payments in reducing smoking rates among young adults in Maine.

In 1997, among current adult smokers in Maine, 32.9 percent were 18 to 24 years old. In 2007, this had decreased by 12.8 percent to 28.7 percent of adult smokers in Maine being between 18 to 24 years old. Conversely, 10 years after e-cigarette's market emergence in 2009, smoking rates among current smokers aged 18 to 24 years old decreased by 24.5 percent. Indeed, in 2009, among current smokers in Maine, 18.4 percent were between 18 to 24 years old. In 2019, only 13.9 percent of current smokers were 18 to 24 years old.

Further e-cigarettes' market emergence was associated with a larger decline in average annual percent decreases among all current smokers. Between 1997 and 2007, the percentage of current smokers decreased on average 0.98 percent each year. Between 2009 and 2019, annual percentage declines average at 1.8 percent. **(See Supplemental Graph 5)**

Flavors and Youth E-Cigarette Use

Despite media alarmism, many American high school students are not overwhelmingly using vapor products due to flavors. Indeed, in analyses of state youth tobacco use surveys, other factors including social sources are most often cited among youth for reasons to use e-cigarettes and vapor products.

In 2017, among Hawaiian high school students that had ever used e-cigarettes, 26.4 percent cited flavors as a reason for e-cigarette use, compared to 38.9 percent that reported "other."[13]

According to results from the 2018 YRBS, Maryland high school students reported using flavored vapor products, but flavors weren't overwhelmingly cited by e-cigarette users as a reason for use.[14] When asked about the "main reason" Maryland high school users used flavors

only 3.2 percent responded “flavors.” Conversely, 13 percent reported because “friend/family used them,” 11.7 percent reported “other,” and 3.8 percent reported using e-cigarettes because they were less harmful than other tobacco products.

In 2019, among all Montana high school students, only 7 percent reported using vapor products because of flavors, compared to 13.5 percent that reported using e-cigarettes because of “friend or family member used them.”[15] Further, 25.9 percent of Montana high school students reported using vapor products for “some other reason.”

In 2019, among all students, only 4.5 percent of Rhode Island high school students claimed to have used e-cigarettes because they were available in flavors, while 12.5 cited the influence of a friend and/or family member who used them and 15.9 percent reported using e-cigarettes “for some other reason.”[16]

In 2017, among current e-cigarette users, only 17 percent of Vermont high school students reported flavors as a reason to use e-cigarettes. Comparatively, 35 percent cited friends and/or family members and 33 percent cited “other.”[17]

In 2019, among high school students that were current e-cigarette users, only 10 percent of Vermont youth that used e-cigarettes cited flavors as a primary reason for using e-cigarettes, while 17 percent of Vermont high school students reported using e-cigarettes because their family and/or friends used them.[18]

Lastly, in 2017, among all Virginia high school students, only 6.2 percent reported using e-cigarettes because of flavors, while 11.3 percent used them because a friend and/or family member used them.[19] In 2019, among all Virginia high school students, only 3.9 percent reported using e-cigarettes because of flavors, 12.1 used for some other reason, and 9.6 used them because of friends and/or family members.[20] **(See Supplemental Graph 6)**

Effects of Flavor Bans

Flavor bans have had little effect on reducing youth e-cigarette use and may lead to increased combustible cigarette rates, as evidenced in San Francisco, California.[21]

In April 2018, a ban on the sale of flavored e-cigarettes and vapor products went into effect in San Francisco and in January of 2020, the city implemented a full ban on any electronic vapor product. Unfortunately, these measures have failed to lower youth tobacco and vapor product use.

Data from an analysis of the 2019 Youth Risk Behavior Survey show that 16 percent of San Francisco high school students had used a vapor product on at least one occasion in 2019 – a 125 percent increase from 2017 when 7.1 percent of San Francisco high school students reported using an e-cigarette.[22] Daily use more than doubled, from 0.7 percent of high school students in

2017, to 1.9 percent of San Francisco high school students reporting using an e-cigarette or vapor product every day in 2019.

Worse, despite nearly a decade of significant declines, youth use of combustible cigarettes seems to be on the rise in Frisco. In 2009, 35.6 percent of San Francisco high school students reported ever trying combustible cigarettes. This figure continued to decline to 16.7 percent in 2017. In 2019, the declining trend reversed and 18.6 percent of high school students reported ever trying a combustible cigarette. Similarly, current cigarette use increased from 4.7 percent of San Francisco high school students in 2017 to 6.5 percent in 2019.

An April 2020 study in *Addictive Behavior Reports* examined the impact of San Francisco's flavor ban on young adults by surveying a sample of San Francisco residents aged 18 to 34 years.[23] Although the ban did have an effect in decreasing vaping rates, the authors noted "a significant increase in cigarette smoking" among participants aged 18 to 24 years old.

Other municipal flavor bans have also had no effect on youth e-cigarette use.[24] For example, Santa Clara County, California, banned flavored tobacco products to age-restricted stores in 2014. Despite this, youth e-cigarette use *increased*. In the 2015-16 California Youth Tobacco Survey (CYTS), 7.5 percent of Santa Clara high school students reported current use of e-cigarettes. In the 2017-18 CYTS, this *increased* to 10.7 percent.

Menthol Bans Have Little Effect on Smoking Rates, Lead to Black Markets, Lost Revenue and Will Create Racial Tension

Beyond e-cigarettes, policymakers' fears about the role of menthol and flavorings in cigarettes and cigars are overblown and banning these products will likely lead to black markets.

Data from the National Health Interview Survey (NHIS) finds nearly a third of all American adult smokers smoke menthol cigarettes. In a 2015 NHIS survey, "of the 36.5 million American adult smokers, about 10.7 million reported that they smoked menthol cigarettes," and white menthol smokers "far outnumbered" the black and African American menthol smokers.[25]

Although lawmakers believe banning menthol cigarettes will deter persons from smoking those, such a ban will likely lead to black markets. A 2012 study featured in the journal *Addiction* found a quarter of menthol smokers surveyed indicated they would find a way to purchase, even illegally, menthol cigarettes should a menthol ban go into place.[26] Further, there is little evidence that smokers would actually quit under a menthol ban. A 2015 study in *Nicotine & Tobacco Research* found only 28 percent of menthol smokers would give up cigarettes if menthol cigarettes were banned.[27]

Moreover, there is no evidence to suggest that menthol cigarettes lead to youth tobacco use. Analysts at the Reason Foundation examined youth tobacco rates and menthol cigarette sales.[28] The authors of the 2020 report found that states "with more menthol cigarette consumption

relative to all cigarettes have *lower* rates of child smoking." Indeed, the only "predictive relationship" is between child and adult smoking rates, finding that "states with higher rates of adult use cause higher rates of youth use."

Lawmakers should take note that menthol sales bans will strain minority communities. Although white Americans smoke more menthol cigarettes than black or African Americans, "black smokers [are] 10-11 times more likely to smoke" menthol cigarettes than white smokers.[29]

Given African Americans' preference for menthol cigarettes, a ban on menthol cigarettes would force police to further scrutinize African Americans and likely lead to unintended consequences.

A 2015 analysis from the National Research Council examined characteristics in the illicit tobacco market.[30] The researchers found that although lower income persons were less likely to travel to purchase lower-taxed cigarettes, "having a higher share of non-white households was associated with a lower probability of finding a local tax stamp" and "neighborhoods with higher proportions of minorities are more likely to have formal or informal networks that allow circumvention of the cigarette taxes."

Lawmakers in Maine should reexamine the case of Eric Garner, a man killed in 2014 while being arrested for selling single cigarettes in the city. In a 2019 letter to the New York City council, Garner's mother, as well as Trayvon Martin's mother, implored officials to "pay very close attention to the unintended consequences of a ban on menthol cigarettes and what it would mean for communities of color."[31] Both mothers noted that a menthol ban would "create a whole new market for loosies and re-introduce another version of stop and frisk in black, financially challenged communities."

Conclusion & Policy Recommendations:

It is disingenuous that lawmakers would purport to protect public health yet restrict access to safer products. Rather than restricting access to tobacco harm reduction products and flavored tobacco products, lawmakers should encourage the use of e-cigarettes and work towards earmarking adequate funding for smoking education and prevention programs.

- To address youth use of age-restricted products, as well as adult use of deadly combustible cigarettes, Maine must allocate adequate funding towards tobacco control programs – including cessation services and education and prevention programs.
- In 19 years, the Pine Tree State allocated only $231.9 million toward tobacco control programs. During the same time period, Maine received an estimated $2.377 billion in cigarette tax revenue and $1.058 billion in tobacco tax settlement payments.
- During 2019, Maine allocated only $4.8 million in state funding towards tobacco control program.
- This amounts to $24.90 per smoker per year, and $19.29 per resident under 18 years.

- For every $1 Maine received in cigarette taxes and MSA payments, the state allocated only $0.025 on tobacco control programs.
- For every $1 a pack-per-day smokers spent in cigarette taxes in 2019, the state allocated only $0.034 on programs to help them quit.
- Between 2000 and 2019, state spending on tobacco control funding decreased by 74.5 percent and has decreased on average, by 5.9 percent annually.
- Existing research from other state youth surveys establish consistent findings that flavors are not the number one driver of youth e-cigarette use. Banning flavors does not address the more cited reasons that youth use e-cigarettes, including because their friends and/or family members use them, and because of "other" reasons.
- The efficacy of e-cigarettes in reducing smoking rates among young adults in Maine is apparent in CDC surveys. Indeed, 10 years after e-cigarettes' market emergence, smoking rates among 18- to 24-year-old Maine residents decreased by 24.5 percent, from 18.9 percent in 2009 to 13. 9 percent in 2019.
- Lawmakers' must face the reality of a larger illicit market in the wake of a ban on flavored tobacco and vapor products – prohibition does not automatically translate into reduced use, just different markets.

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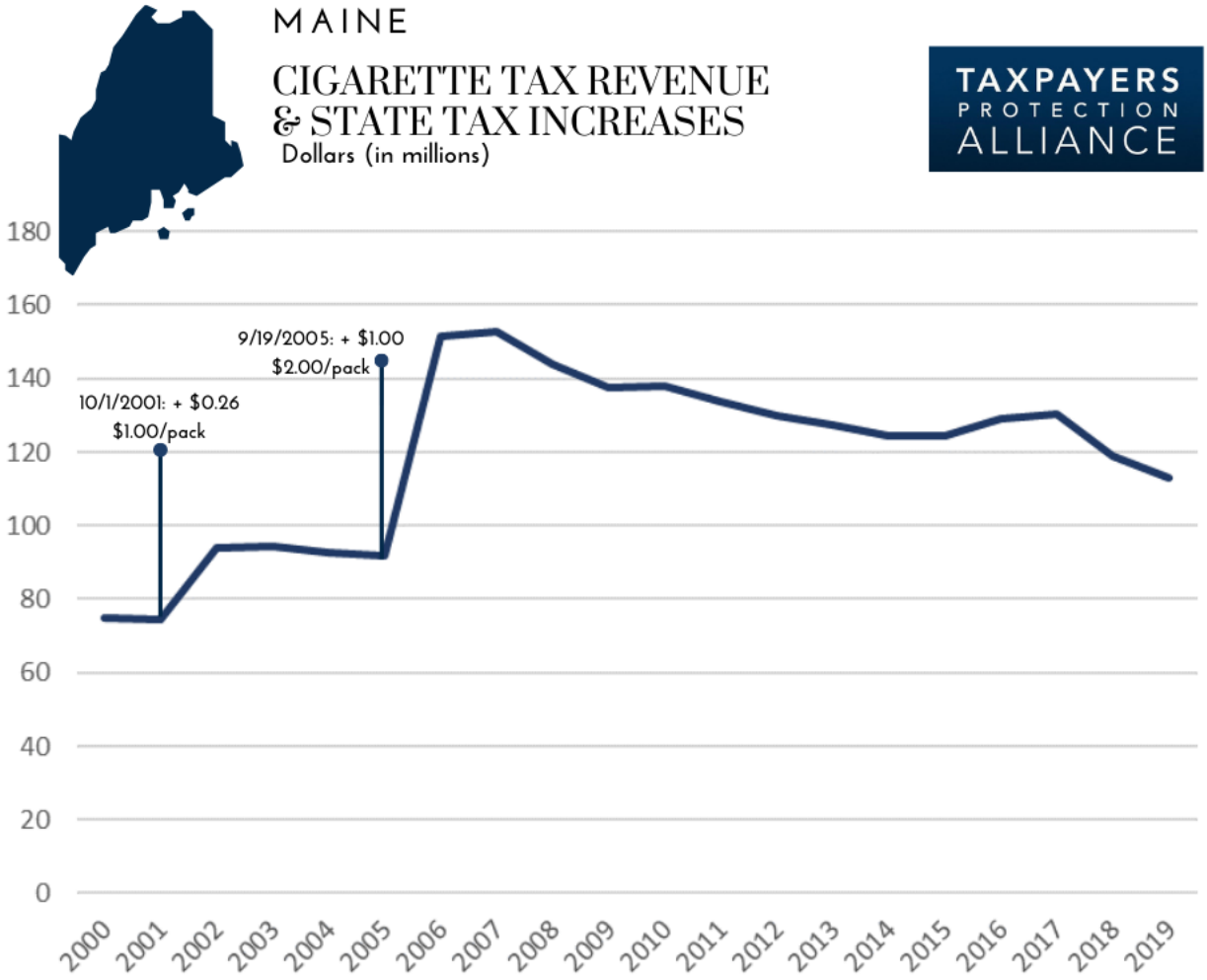
Supplemental Graphs

1. Cigarette Tax Revenue



Sources: Orzechowski and Walker

For more information, contact Lindsey Stroud at lindsey@protectingtaxpayers.org

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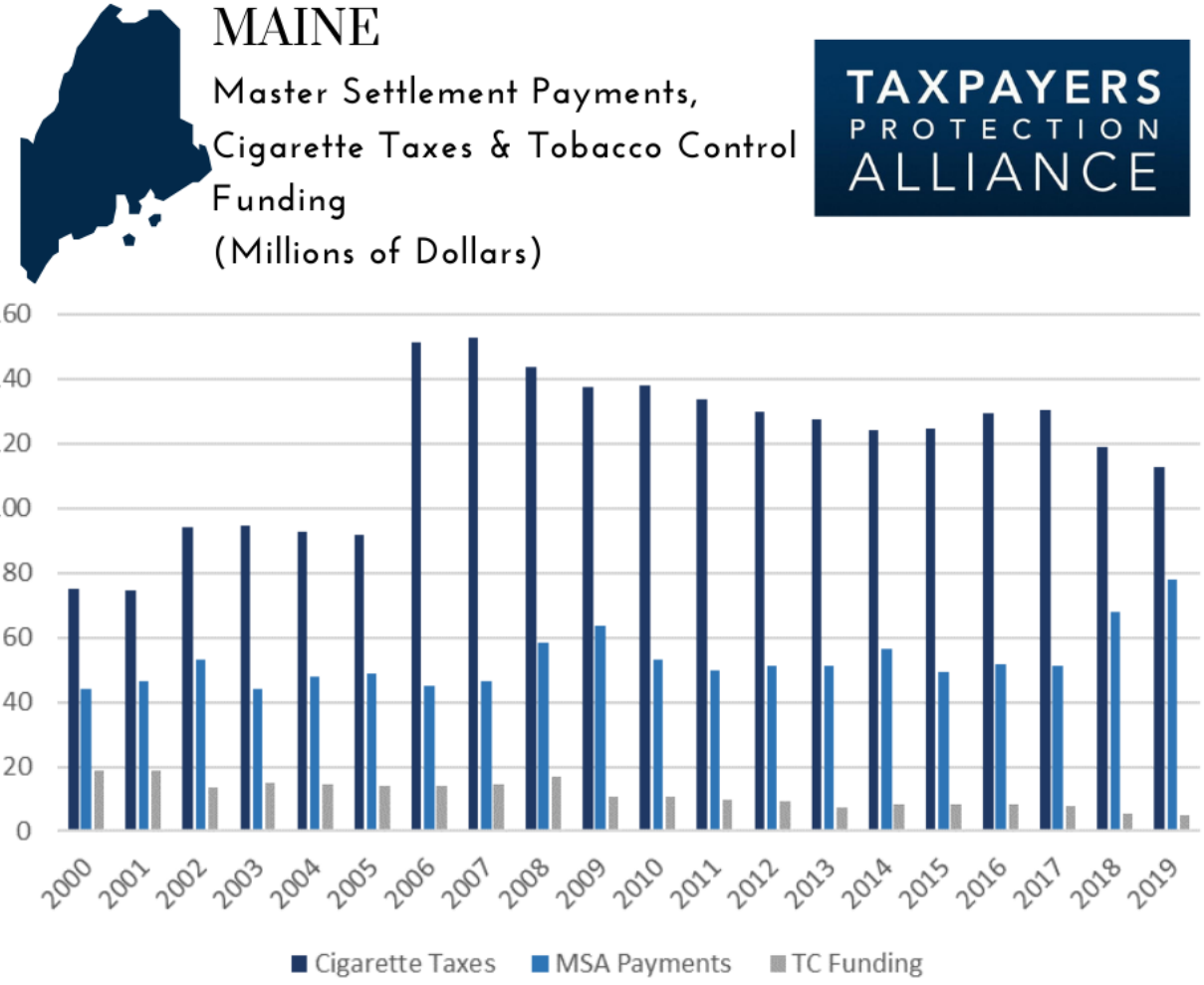
2. Cigarette and Tobacco Control Funding



Sources: Campaign for Tobacco-Free Kids, Orzechowski and Walker
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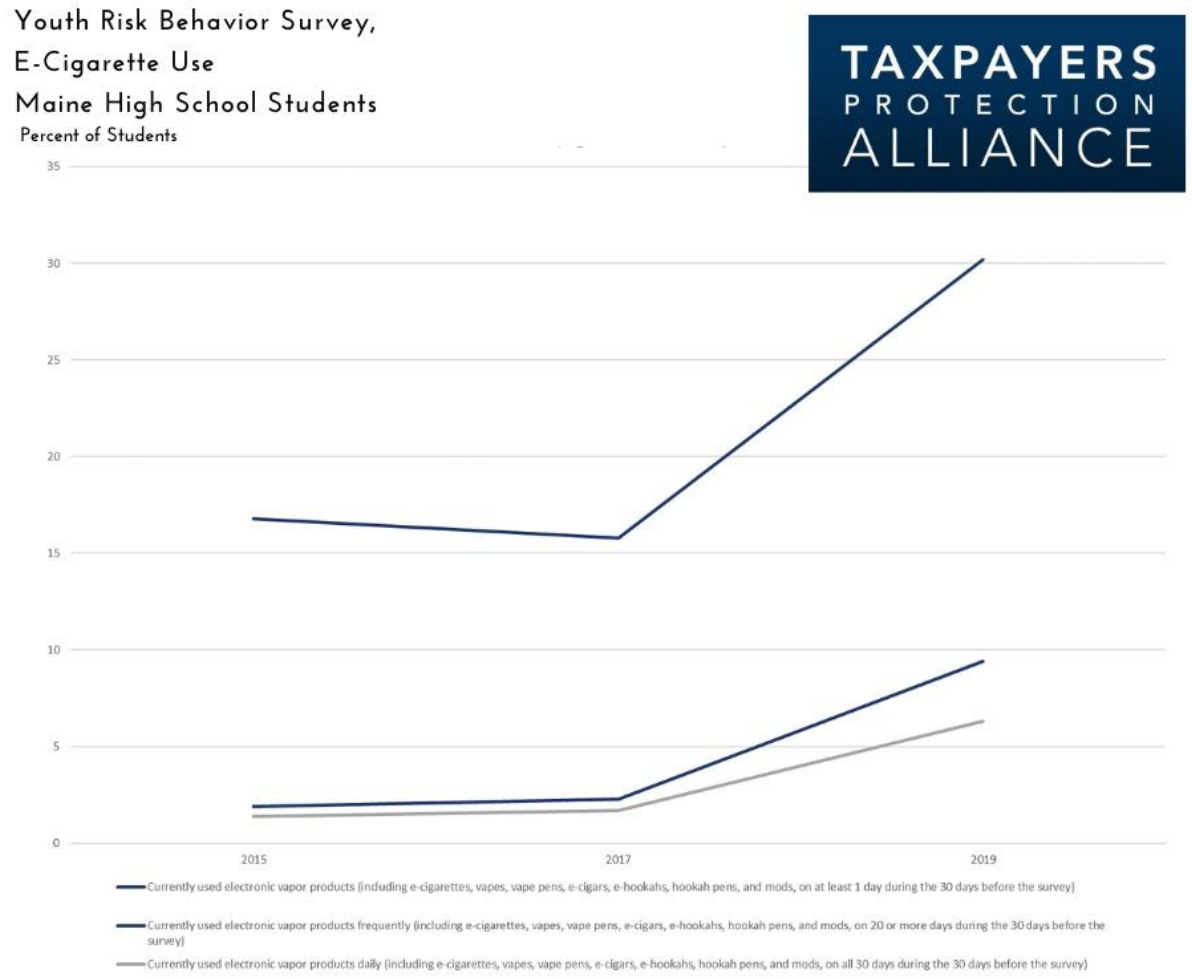
3. CDC Youth Risk Behavior Survey, E-Cigarette Use, Maine High School Students



Sources: Centers for Disease Control and Prevention
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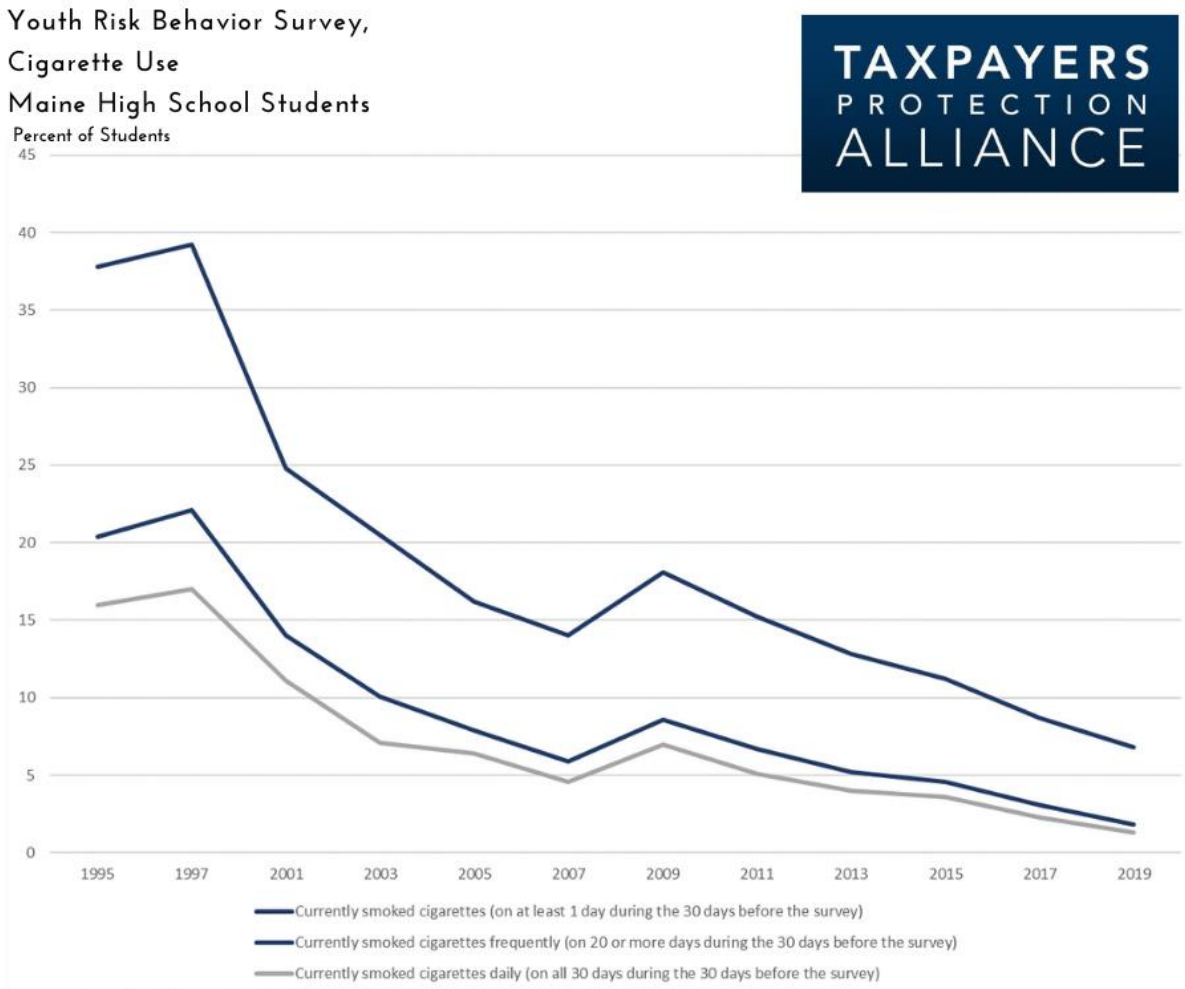
4. CDC Youth Risk Behavior Survey, Cigarette Use, Maine High School Students



Sources: Centers for Disease Control and Prevention
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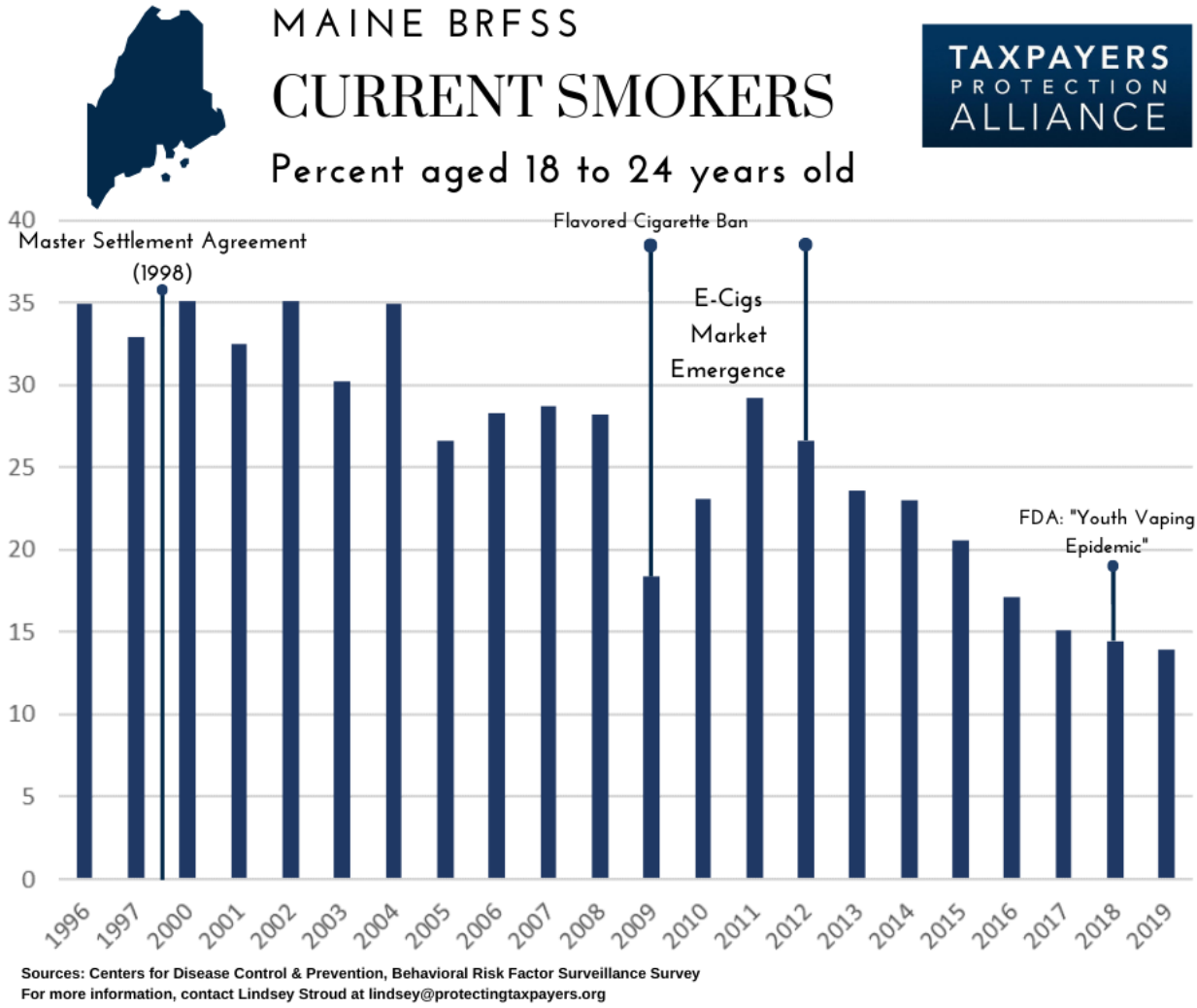
5. E-Cigarette Emergence and Young Adult Smoking Rates



Sources: Centers for Disease Control & Prevention, Behavioral Risk Factor Surveillance Survey
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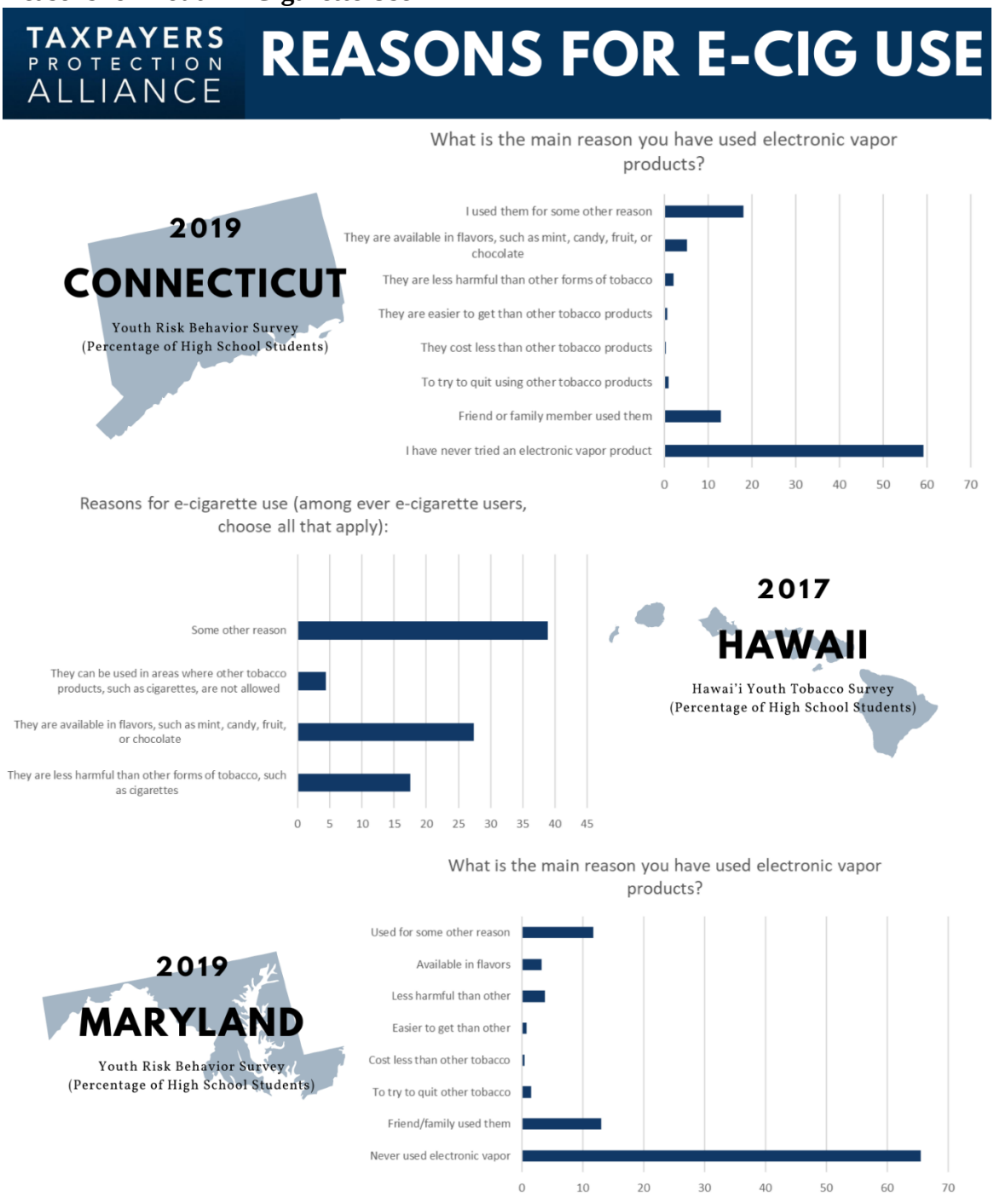
6. Reasons for Youth E-Cigarette Use



Source: World Health Organization

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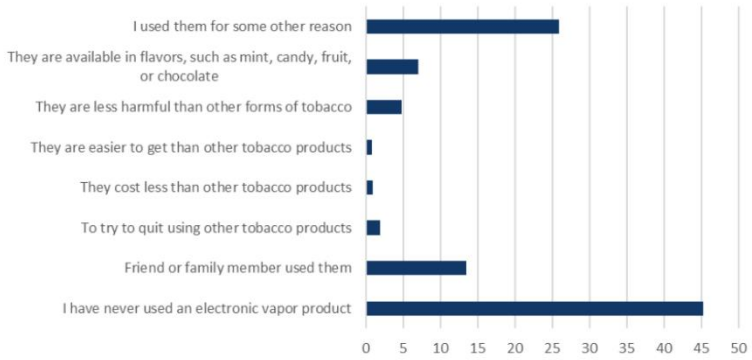
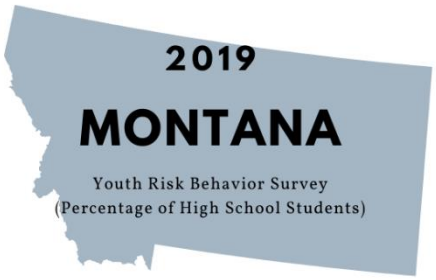
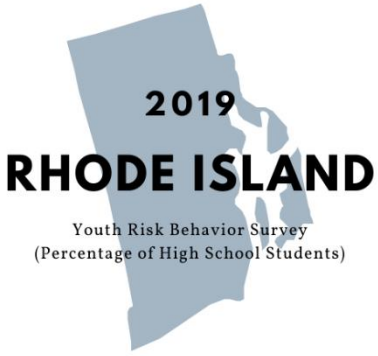
REASONS FOR E-CIG USE

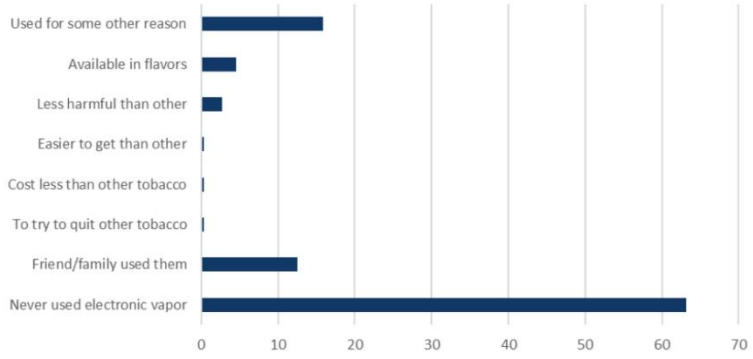
What is the main reason you have used electronic vapor products? (Select only one response.)



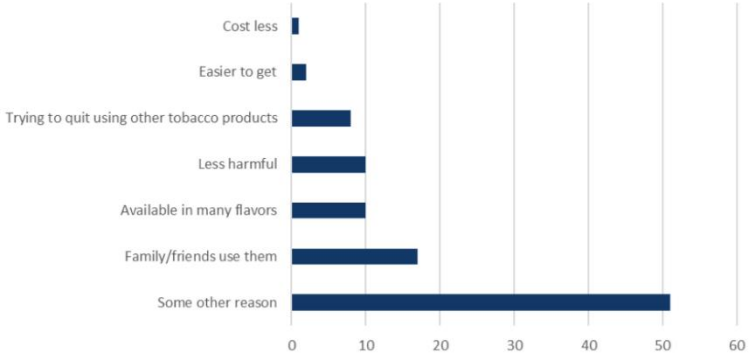


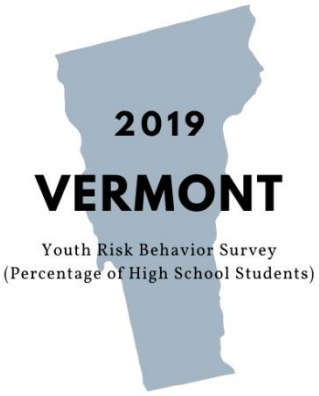


What is the main reason you have used electronic vapor products?



Primary Reason for Using Electronic Vapor Products (Among Current Users)





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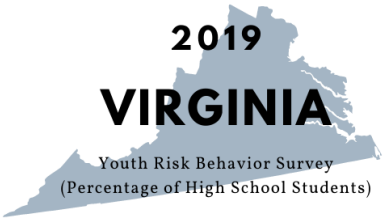
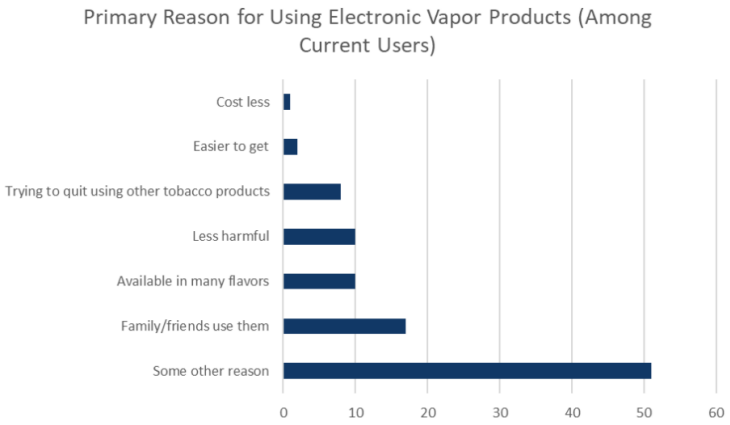
REASONS FOR E-CIG USE





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TOBACCO & VAPING 101: MAINE

BY: LINDSEY STROUD

Combustible cigarette use among American youth and adults has reached all-time lows, but many policymakers are concerned with the increased use of electronic cigarettes and vapor products, especially among youth and young adults.

This paper examines smoking rates among adults in the Pine Tree State, youth use of tobacco and vapor products, and the effectiveness of tobacco settlement payments, taxes, and vapor products on reducing combustible cigarette use.

TAXPAYERS PROTECTION ALLIANCE

TABLE OF CONTENTS

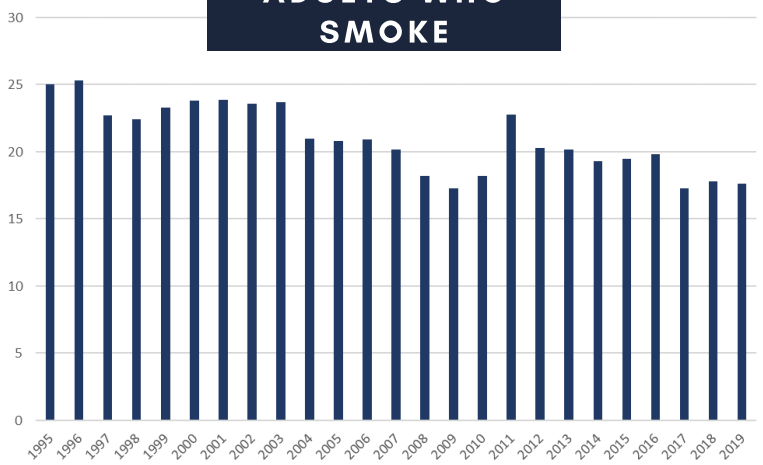
ADULT SMOKING RATES

In 1995, 25 percent[1] of Maine adults smoked combustible cigarettes, amounting to approximately 233,577 adults.[2] In 1995, among all adults, 22.2 percent (207,416 adults) reported smoking every day.

In 2019, 17.6 percent of adults in the Pine Tree State were current smokers, amounting to 192,785 smokers. Further 13.9 percent of Maine adults (152,256 adults) were daily smokers in 2019.

Among Maine adults, current smoking decreased by 29.6 percent between 1995 and 2019. Moreover, there are an estimated 81,057 fewer smokers in 2019, compared to 1995, and 90,916 fewer daily smokers.

PERCENTAGE OF ADULTS WHO SMOKE



AMONG MAINE ADULTS, CURRENT SMOKING DECREASED BY 29.6 PERCENT BETWEEN 1995 AND 2019.

YOUTH COMBUSTIBLE CIGARETTE USE HAS DECREASED 82 PERCENT SINCE 1995.

YOUTH TOBACCO AND VAPING RATES

The most recent data on youth tobacco and vapor product use in Maine comes from the 2019 Youth Risk Behavior Survey.[3] In 2019, 46.3 percent of Maine high school students reported ever-trying e-cigarettes, 30.2 percent reported past 30-day use, and 6.3 percent reported using vapor products daily.

It is worthy to note that youth combustible cigarette use is at an all-time low. In 2019, 6.8 percent of Maine high school students reported using a cigarette in the past 30 days, an 82 percent decrease from 1995, when 37.8 percent of high school students smoked cigarettes. Further, daily cigarette use has decreased by 91.9 percent from 16 percent of high school students reporting daily smoking in 1995 to 1.3 percent in 2019.

CIGARETTE TAX REVENUE

Between 2000 and 2019, Maine collected an estimated $2.377 billion in cigarette taxes.[4] During the same 19-year period, the Pine Tree State increased the tax rate on cigarettes twice; in 2001 and 2005.

Although the increased tax rates have resulted in revenue increases, these increases are only seen in the short term as fewer Maine adults smoke over time. For example, in 2005, Maine increased the cigarette tax rates by $1.00, bringing the total state excise tax to $2.00-per-pack. In 2007, the Pine Tree State collected $153 million in cigarette tax revenue, a 66.5 percent increase from 2005's $91.9 million. However, since 2008, cigarette tax collections have continued to decline, on average, by 2.5 percent annually. Indeed, in 2019, Maine collected only $112.8 million in cigarette tax revenue, 26.3 percent decline from 2007's cigarette tax revenue.

BETWEEN 2000 AND 2019, MAINE COLLECTED AN ESTIMATED $2.377 BILLION IN TOBACCO TAXES.

MASTER SETTLEMENT AGREEMENT

In the mid-1990s, Maine sued tobacco companies to reimburse Medicaid for the costs of treating smoking-related health issues. And, in 1998 with 45 other states, Maine reached "the largest civil litigation settlement in U.S. history" through the Master Settlement Agreement (MSA).[5]

Under the MSA, states receive annual payments – in perpetuity – from the tobacco companies, while relinquishing future claims against the participating companies. Between 1998 and 2020, Maine collected $1.141 billion in MSA payments.[6]

BETWEEN 1998 AND 2020, MAINE RECEIVED AN ESTIMATED $1.141 BILLION IN MSA PAYMENTS.

VERY LITTLE TOBACCO CONTROL FUNDING

Tobacco taxes and tobacco settlement payments are justified to help offset the costs of smoking, as well as prevent youth initiation. Like most states, Maine spends very little of existing tobacco moneys on tobacco control programs – including education and prevention.

Between 2000 and 2019, Maine allocated only $231.9 million in state funds towards tobacco control programs. [7] This is only 9.8 percent of what Maine collected in cigarette taxes in the 19-year time span between 2000 and 2019 and only 21.9 percent of MSA payments the state collected in the 20 years. To put it in further perspective, in 19 years, Maine allocated only 6.7 percent of tobacco settlement payments and taxes on programs to prevent tobacco use.

IN 19 YEARS, MAINE ALLOCATED ONLY 1.1 PERCENT OF TOBACCO SETTLEMENT PAYMENTS AND TAXES ON PROGRAMS TO PREVENT TOBACCO USE.

VAPOR PRODUCT EMERGENCE CORRELATES WITH LOWER YOUNG ADULT SMOKING

Electronic cigarettes and vapor products were first introduced to the U.S. in 2007 "and between 2009 and 2012, retail sales of e-cigarettes expanded to all major markets in the United States."[8] Examining data from the Centers for Disease Control and Prevention's Behavioral Risk Factor Surveillance Survey finds that e-cigarettes' market emergence has been more effective than MSA payments in reducing smoking rates among young adults in Maine.

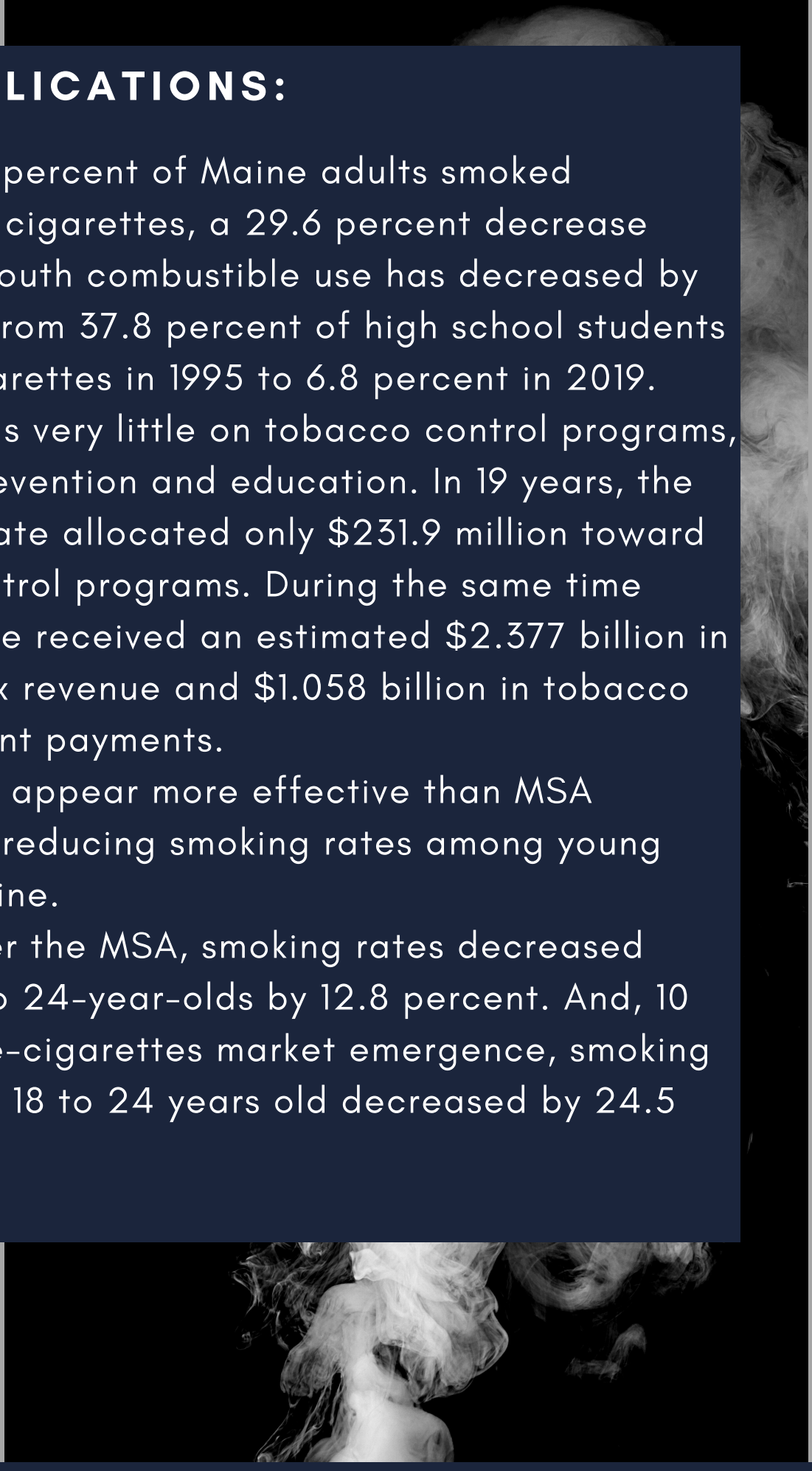
In 1997, among current adult smokers in Maine, 32.9 percent were 18 to 24 years old. In 2007, this had decreased by 12.8 percent to 28.7 percent of adult smokers in Maine being between 18 to 24 years old. Conversely, 10 years after e-cigarette's market emergence in 2009, smoking rates among current smokers aged 18 to 24 years old decreased by 24.5 percent. Indeed, in 2009, among current smokers in Maine, 18.4 percent were between 18 to 24 years old. In 2019, only 13.9 percent of current smokers were 18 to 24 years old.

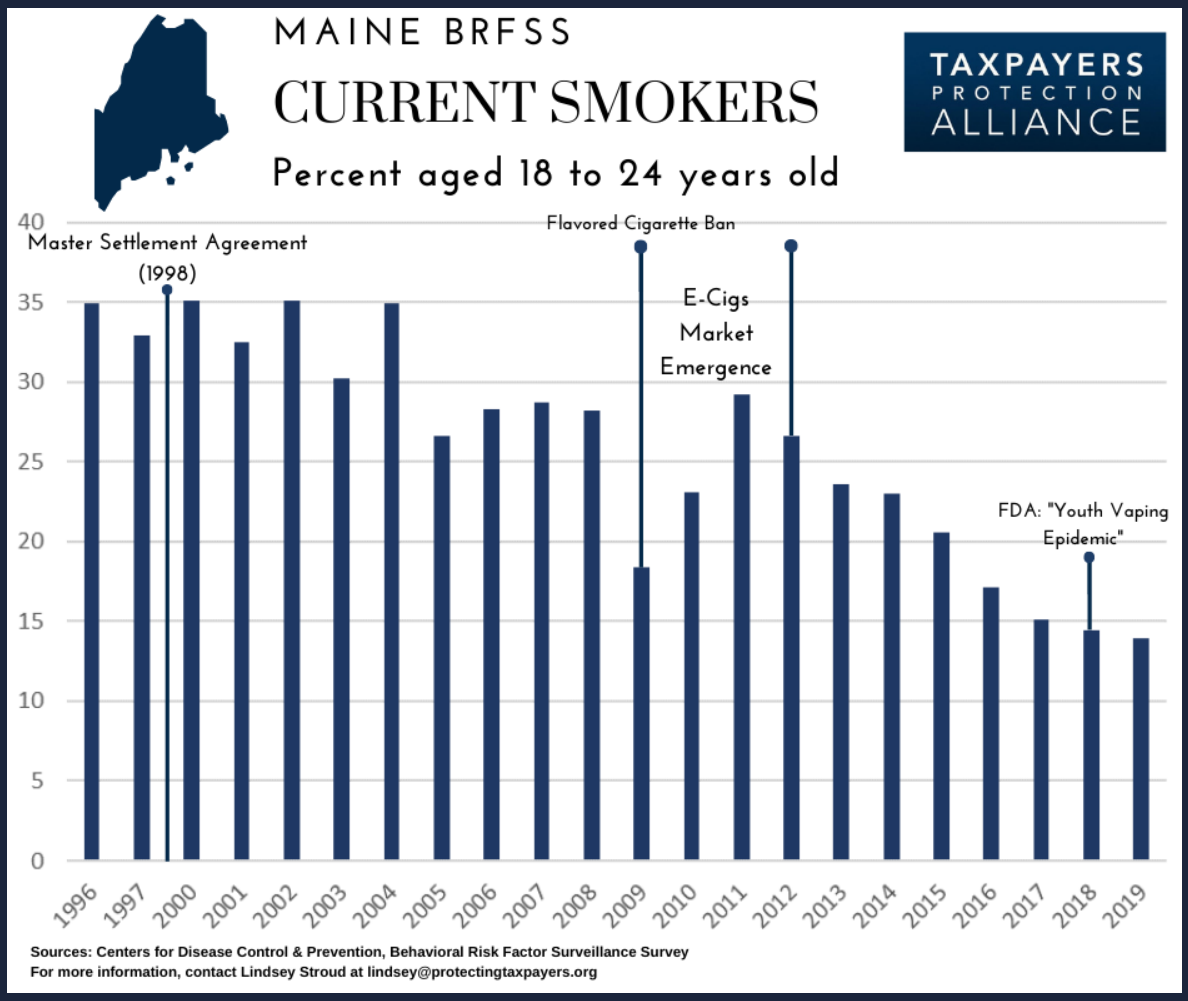
Further e-cigarettes' market emergence was associated with a larger decline in average annual percent decreases among all current smokers. Between 1997 and 2007, the percentage of current smokers decreased on average 0.98 percent each year. Between 2009 and 2019, annual percentage declines average at 1.8 percent.

10 YEARS AFTER E-CIGARETTES' MARKET EMERGENCE IN 2009, SMOKING RATES AMONG CURRENT SMOKERS AGED 18 TO 24 YEARS OLD DECREASED BY 24.5 PERCENT.

POLICY IMPLICATIONS:

- In 2019, 17.6 percent of Maine adults smoked combustible cigarettes, a 29.6 percent decrease from 1995. Youth combustible use has decreased by 82 percent from 37.8 percent of high school students smoking cigarettes in 1995 to 6.8 percent in 2019.
- Maine spends very little on tobacco control programs, including prevention and education. In 19 years, the Pine Tree State allocated only $231.9 million toward tobacco control programs. During the same time period, Maine received an estimated $2.377 billion in cigarette tax revenue and $1.058 billion in tobacco tax settlement payments.
- E-cigarettes appear more effective than MSA payments in reducing smoking rates among young adults in Maine.
- 10 years after the MSA, smoking rates decreased among 18- to 24-year-olds by 12.8 percent. And, 10 years after e-cigarettes market emergence, smoking rates among 18 to 24 years old decreased by 24.5 percent.




MAINE BRFSS
CURRENT SMOKERS
Percent aged 18 to 24 years old
TAXPAYERS PROTECTION ALLIANCE
Master Settlement Agreement (1998)
Flavored Cigarette Ban
E-Cigs Market Emergence
FDA: "Youth Vaping Epidemic"
40
35
30
25
20
15
10
5
0
1996
1997
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
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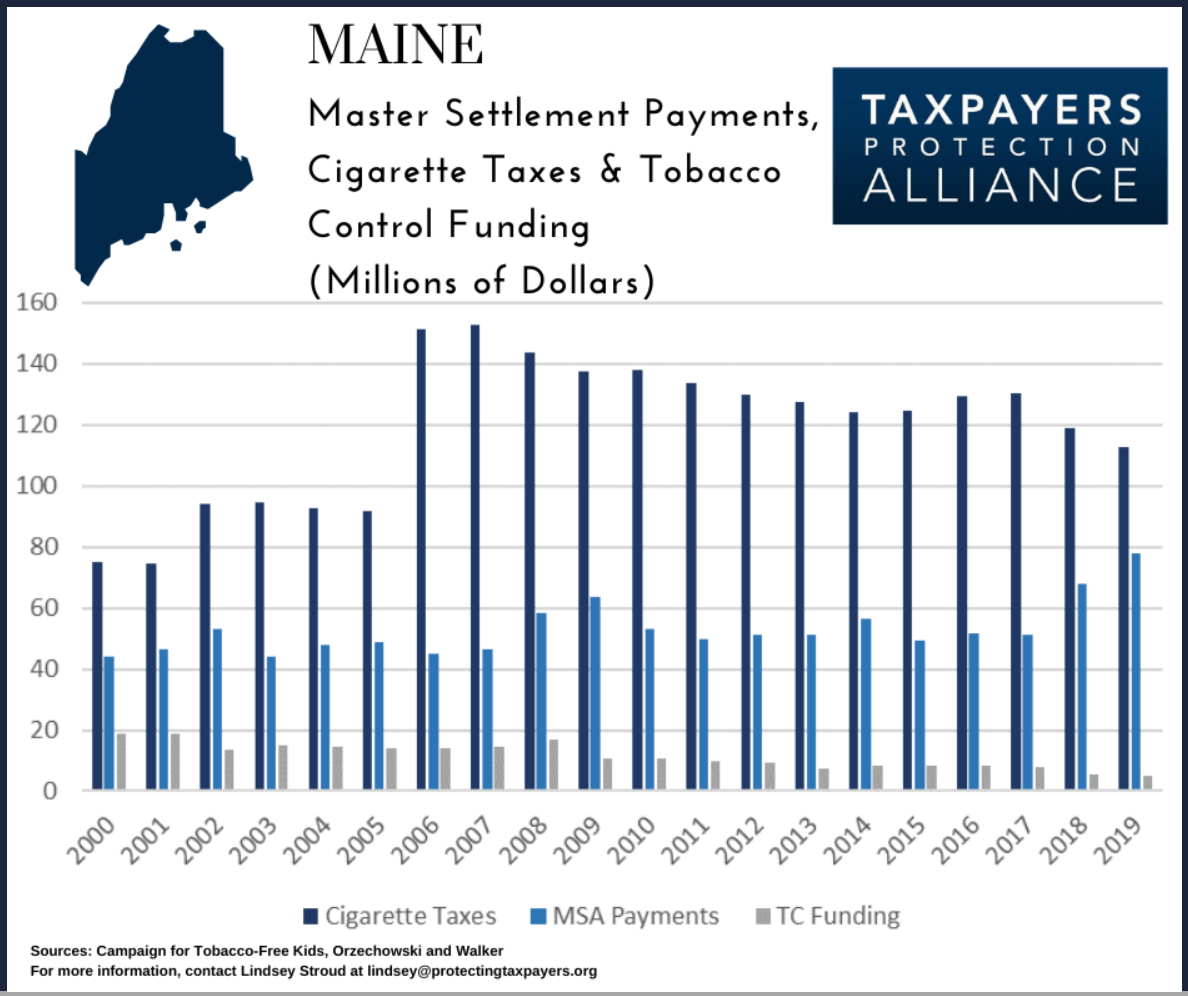
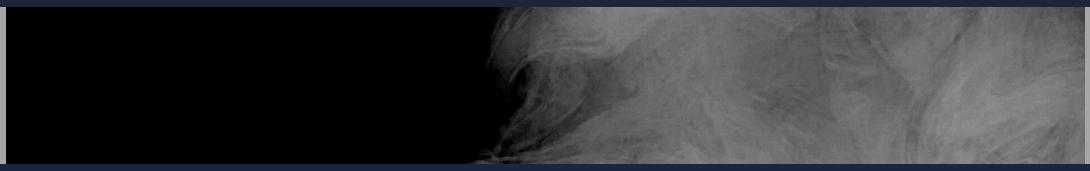
2019
Sources: Centers for Disease Control & Prevention, Behavioral Risk Factor Surveillance Survey
For more information, contact Lindsey Stroud at lindsey@protectingtaxpayers.org


MAINE
Master Settlement Payments, Cigarette Taxes & Tobacco Control Funding (Millions of Dollars)
TAXPAYERS PROTECTION ALLIANCE
160
140
120
100
80
60
40
20
0
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
Cigarette Taxes
MSA Payments
TC Funding
Sources: Campaign for Tobacco-Free Kids, Orzechowski and Walker
For more information, contact Lindsey Stroud at lindsey@protectingtaxpayers.org



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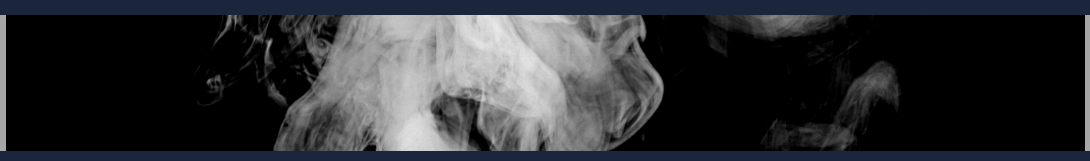

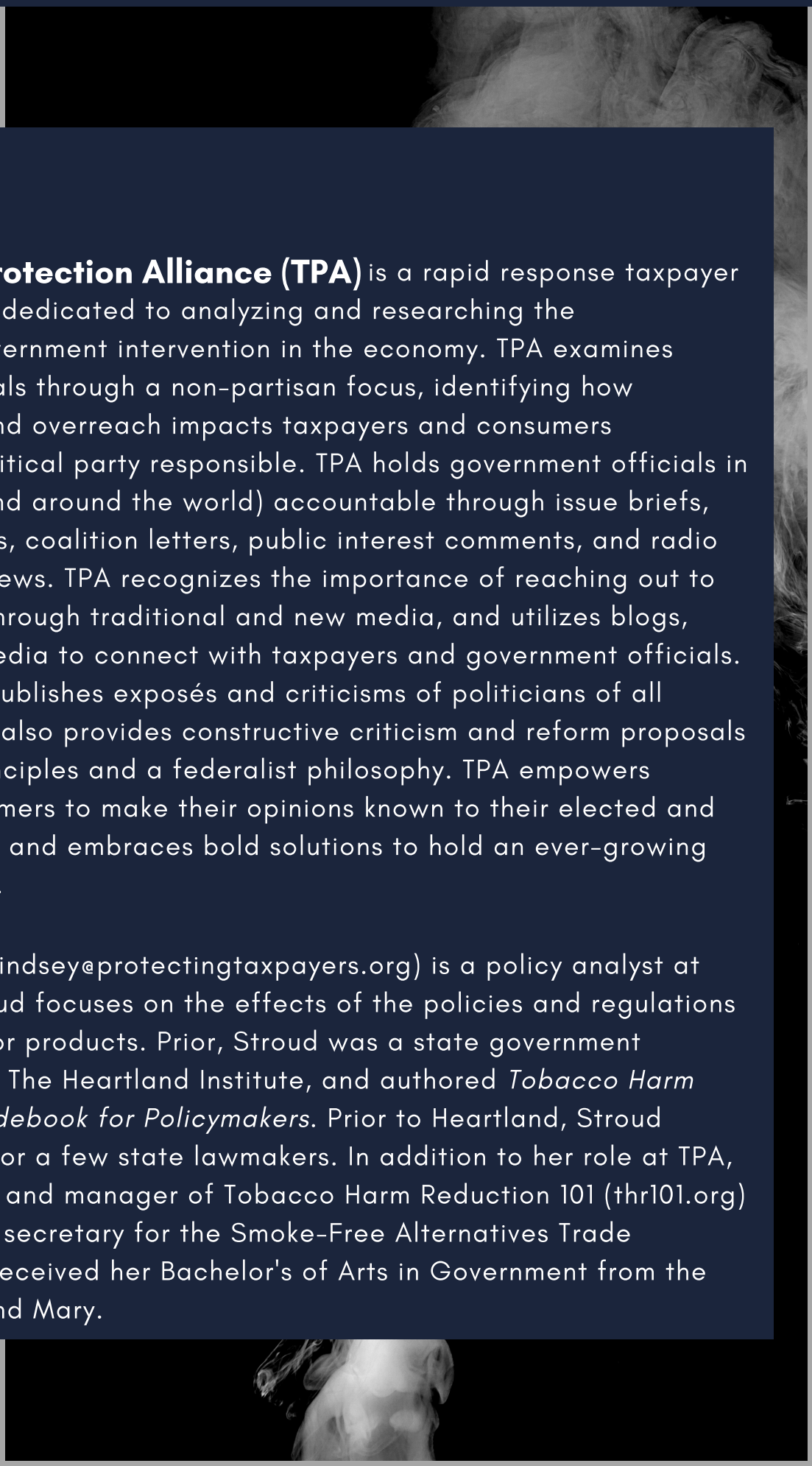

ABOUT

The Taxpayers Protection Alliance (TPA) is a rapid response taxpayer and consumer group dedicated to analyzing and researching the consequences of government intervention in the economy. TPA examines public policy proposals through a non-partisan focus, identifying how government waste and overreach impacts taxpayers and consumers regardless of the political party responsible. TPA holds government officials in the United States (and around the world) accountable through issue briefs, editorials, statements, coalition letters, public interest comments, and radio and television interviews. TPA recognizes the importance of reaching out to concerned citizens through traditional and new media, and utilizes blogs, videos, and social media to connect with taxpayers and government officials. While TPA regularly publishes exposés and criticisms of politicians of all political stripes, TPA also provides constructive criticism and reform proposals based on market principles and a federalist philosophy. TPA empowers taxpayers and consumers to make their opinions known to their elected and non-elected officials and embraces bold solutions to hold an ever-growing government in check.

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